

FISCAL NOTE
SB 2730 - HB 2520

March 6, 2000

SUMMARY OF BILL:

1. Amends TCA Title 8, Chapter 27, Part 2, which
 - Adds a new section which allows any dependent to continue coverage in the basic medical plan authorized by TCA 8-27-201(a)(1) upon eligibility for Part A of Medicare if the person is a dependent of a retired state employee who is participating in the state group health insurance plan and who is receiving social security disability benefits by virtue of a disability suffered by the dependent.
 - Allows the dependent to continue in the plan to the point at which Medicare eligibility would have been attained had the disability not occurred, provided, that the dependent remains eligible for the social security disability benefits and the retention of Part B of Medicare.
 - Requires the insurance premium to be the same as the premium charged to non-disabled dependents who are not yet eligible for Medicare.
 - Requires any additional cost incurred by the medical insurance coverage authorized by TCA 8-27-201 which is attributable to the extension offered shall be funded through an increase in the premium paid.
2. Amends TCA Title 8, Chapter 27, Part 3, which
 - Adds a new section which allows any dependent to continue coverage in the basic medical plan authorized by TCA 8-27-302 upon eligibility for Part A of Medicare if the person is a dependent of a retired local education agency employee who is participating in the state group health insurance plan and who is receiving social security disability benefits by virtue of a disability suffered by the dependent.
 - Allows the dependent to continue in the plan to the point at which Medicare eligibility would have been attained had the disability not occurred, provided, that the dependent remains eligible for the social security disability benefits and the retention of Part B of Medicare.
 - Requires the insurance premium to be the same as the premium charged to non-disabled dependents who are not yet eligible for Medicare.
 - Requires that any additional cost incurred by the medical insurance coverage authorized by TCA 8-27-302 which is attributable to the extension offered shall be funded through an increase in the premium paid.
3. Provides that the provisions of the bill are subject to the funding being provided in the general appropriations act and would take effect on July 1, 2000.

SB 2730 - HB 2520

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$50,000

Increase Local Govt. Expenditures* - Exceeds \$30,000

Estimate assumes the following:

- The average premium paid by individuals that would become eligible under the state plan is estimated to be approximately \$1,092 each.
- The average cost of benefits provided to these individuals is estimated to be approximately \$2,172 each.
- An increase in state expenditures per individual covered in the state plan is estimated to be approximately \$1,080.
- 50 additional individuals would become eligible to participate in the state plan resulting from passage of this bill.
- The average premium paid by individuals that would become eligible under the local education agency plan is estimated to be approximately \$1,356 each.
- The average cost of benefits provided to these individuals is estimated to be approximately \$2,821 each.
- An increase in local government expenditures per individual covered under the local plan is estimated to be approximately \$1,465.
- 20 additional individuals would become eligible to participate in the local education agency plan resulting from passage of this bill.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

SB 2730 - HB 2520